CAREER MATTERS

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RETENTION ISSUES AND PROGRAMS

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Retention is not just an Air Force nor a Department of Defense issue. Corporate America is also facing retention problems. Regardless of whether the employee is wearing the uniform of service or the business sector suit, many of the retention issues are the same. The goals are the same as well...keeping our #1 asset - our people.

Quoting Andrew Carnegie..."Take away my factories, my plants; take away my railroads, my ships, my transportation, take away my money; strip me of all of these but leave me my key people, and in two or three years, I will have them all again."

The following series of articles originate from Corporate America. Although not every discussion item relates, most do. Please read these articles from the manager/supervisor perspective. I think you will see the correlation and may find some of the insights useful for "fighting the war on retention" within our Air Force.

EMPLOYEE RETENTION

Laura Benjamin

The Bureau of Labor Statistics reports the number of workers age 25 to 34 will shrink by nearly 9 percent in the 10 years ending in 2006. Coincidentally, 2004 also ushers in the beginning of the Big Retirement Rush - when the first wave of baby boomers hits early retirement age. The Public Education Retirement Association forecasts 52,000 members retiring in July 2000 alone.

It's no secret that employee retention in our increasingly scarce labor market is of serious concern. Customer service, manufacturing, and information technology jobs are particularly hard to fill. While the need for IT professionals has doubled in the last decade, we're still graduating the same number of students from our colleges and universities.

Clearly, unconventional steps are called for. As Albert Einstein said, "The significant problems we have cannot be solved at the same level of thinking with which we created them."

A recent conversation with a single mother in a manufacturing firm led to a discussion of why she would consider leaving her present employer. She's stayed at least five years in every job she's ever held, but this may soon change. "I love my job and the people I work with, but I've interviewed seven times in the past six months. I don't want to leave, but I will because of two things: If I'm offered better health care benefits than what I'm getting here, and if my relationship with my manager doesn't improve. I hate the idea of starting all over again - going through that learning curve and being 'low man' on the totem pole. If it weren't for my friends and the health care benefits here, I'd be gone."

Managers are the Key

Our supervisors and managers hold the key to employee retention and organizational profitability in their hands. They are the most important resource when it comes to keeping the best and brightest. From the authors of, "First Break All the Rules: What the World's Greatest Managers Do Differently," employees leave managers, not companies. What was the real reason you left your last job? For most of us, higher pay is usually not the No. 1 motivator.

When the Gallup organization surveyed 80,000 managers and 1 million employees, they found what most employees want, more than anything else, is a good boss. "If your relationship with your manager is fractured, then no amount of in-chair massaging or company-sponsored dog walking will persuade you to stay and perform. It is better to work for a great manager in an old-fashioned company, than for a terrible manager in a company offering an enlightened, employee-focused culture."

Encourage your leaders to regularly practice the concepts Gallup found contribute to becoming a great manager.

Select employees for their innate talents more than their knowledge or skills. Talents are defined as the recurring patterns of thought, feeling or behavior that lead to excellence. While many recruiters have been practicing this for years, resistance is still alive and well. Talented people can learn the technical skills. Hire them for their capabilities and potential, based on how they've applied their talents in the past.

Define desired outcomes, not the path for getting there. Focus on the results and throw out the micromanaging. Just because you're the supervisor doesn't mean you have to, or should, know all the answers. You've hired smart people - allow them the opportunity to show them how smart they really are.

Motivate by building on strengths vs. managing their weaknesses. If you approach employees with the idea they need to be "fixed," you've doomed to failure. The most effective way to motivate others is to help them become more of who they already are.

Develop your employees by helping them find the right fit between talents and work responsibilities. Encourage them to quantify and analyze their accomplishments on a weekly basis, rather than through the annual performance review we usually rely on. Look for the areas of strength that reoccur and purposely help them move towards the responsibilities that capitalize on them. Projects, special assignments, involvement in one of the 22,049 professional associations in the United States, job shadowing and cross training are all viable options. Break with conventional wisdom. According to the authors, great managers break the rules of conventional wisdom and hold onto talented employees by:

- Helping all employees become more of who they already are.
- Being willing to treat each person differently. Note: this doesn't mean we treat people unfairly, but recognizes that people don't always respond positively to the same approach.
- Believe you can be a great manager and a great friend at the same time. The true test is knowing how to draw appropriate boundaries in any setting.
- Accept that you cannot change people; the best you can do is help facilitate their growth.
- Possess a deeply held trusting nature. Great managers do not strive to "catch" people doing something wrong, but look for the good and work hard to build on it.

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EMPLOYEE RETENTION STRATEGIES

Texas Council Risk Management Fund

Attracting and retaining good employees is one of the most challenging management issues in nearly all industries today. With low unemployment rates, the labor market is extremely competitive, and more and more employers are looking at ways they can reduce turnover. Retention strategies are increasingly necessary to maintain the level of services and productivity of the organization as well as to avoid the high costs of recruiting and training new personnel.

Salaries and benefits are important factors in retention, but research shows that most workers don't leave their jobs solely because of money issues. Management practices and the organization's total reward structure appear to be more important elements affecting employees' decisions. Things like effective leadership, employee training and development, advancement opportunities, and satisfying work assignments are increasingly important to employees, especially those who are highly skilled or professional. A recent survey conducted by Towers Perrin, a national consulting firm, found that challenging work and work climate are the primary reasons that influence employees to stay with an organization. Base pay is third in importance.

Managers and supervisors can control many of the conditions that contribute to employees wanting to leave or stay. They can have a direct impact on factors such as how people are treated on the job, quality of communications, opportunities for job growth, and recognition for performance. A maxim discussed in the Fund's supervisor training program is that, in too many cases, "employees join organizations, but they leave their managers."

Considerations

One important step any organization can take to improve retention is to make managers aware of the costs of turnover and to make them more accountable for turnover in their areas of responsibility. For example, employee turnover, retention, and recruitment issues could be made a standing item for discussion at executive team and other management level meetings. This can help make retention an ongoing priority, and identify ways to make and keep your community MHMR center competitive with other employers in the community. Also consider providing training for managers in communication and leadership skills.

Following are some other suggestions to consider in developing retention strategies.

Review patterns of turnover by department, type of position, and length of service. This information may help identify certain responses that may be needed, such as increased training efforts for the first few months an employee is on the job. It could also point to improvements in the selection process to ensure that employees better understand the responsibilities of the position when it is offered, and that they are a good fit with the job and the organization.

Use exit interviews to develop further insight into employees' reasons for leaving and job factors that may influence those decisions.

Monitor and evaluate the effectiveness of communications. Organizations that have low turnover rates tend to have a lot of open communication and participation by employees in decisions.

Research indicates that workers who are best at handling stress feel they clearly understand their goals and what they are expected to do, have authority to make decisions affecting their work, and believe their employer considers their interests. In work areas where circumstances permit, consider the possibility of flexible work arrangements or job rotation.

Conclusion

Organizations don't necessarily have to spend a lot of money to implement effective retention strategies. Most of the management practices that employees value also make good business sense. Consider, for example, the social networks that can develop in teams. People who work in close-knit teams develop a sense of mutual respect and belonging, and are more likely to stay with an organization as long as the team is intact.

EMPLOYEE RETENTION: SELLING THE SEVEN "C'S"

Elaine Beaubien

What positive, conscious, vigorous steps is your organization taking to retain its personnel? If you cannot specifically relate policies, procedures, goals, objectives and plans specifically designed to address employee retention, then you need this seminar. If your efforts and discussions on employee retention are sporadic, and accidental, this seminar is for you. If you are motivated to talk about employee retention only when there is a crisis, this seminar will save your organization from a great deal of stress.

This program will present a list of practical, adaptable ideas that can be implemented in your organization in order to retain your personnel. It is far easier and more enlightened to keep a valuable employee than it is to find a new one. If you do not take care of your current workforce, you will find them looking for other opportunities. In an economy with low unemployment they will not have to go far. The growth and survival of a thriving enterprise will depend on an Employee Retention Plan. The success of new ventures cannot be sustained without adequate staffing. Even successful businesses and organizations will find it difficult to sustain the pace with today's diminished workforce.

Be proactive. Don't wait for turnover. Don't get caught with more positions than personnel. Don't delude yourself by thinking there are several competent replacements for every position. Don't let your plans go unfulfilled because of a lack of labor. Find good people, then use the information presented in this seminar to write a plan to keep them.

FUND RETENTION NOT REPLACEMENT

Retaining employees is not a cost free endeavor, but the total costs involved in putting an Employee Retention Plan into place will be far less that the costs of replacing people. People who are satisfied and have their needs met by their employer will not seek other opportunities. In today's tight labor market, one thing is for certain: capable, hard working people will be able to find other alternatives.

When unemployment is low, those companies with high turnover may find that the people who remain with the organization are those who lack initiative, are not adaptable, do not like risks, feel trapped by circumstance or are not particularly attractive to any other employer. Morale begins to suffer and motivation becomes more challenging. This is not a comfortable position for organizations wanting to meet their goals and implement their strategic plans.

When your organization has an aggressive, proactive plan for retention, taking the costly, time consuming, painful steps to replace people will not be necessary. Developing an Employee Retention Plan is no longer an option. It is a necessity for sustained success.

IT IS BETTER TO TAKE PREVENTATIVE STEPS BEFORE TURNOVER IS A PROBLEM.

It is much more cost effective and there is much less strain on the organization when a solid retention program is in place. In addition to the very quantifiable impact the following program has on retention, there is the less quantifiable impact on morale and quality of work life. The same steps that lead to retention will also lead to a climate of high productivity, organizational loyalty, self-direction, pride, satisfaction and mutual benefit.

ECONOMIC IMPACT

An Employee Retention Plan can be expensive. How is it to be funded? From the tremendous cost savings that will accrue to the organization when employees stay.

How much does it cost your organization when it loses a valuable employee? Calculate the following:

- The cost of recruitment and selection, (The placement of ads, reviewing resumes, taking applications, conducting multiple interviews, etc.)
- The cost of the orientation and training (From classroom training to formal coaching, consider the cost of trainers, materials and time spent in these endeavors)
- The loss of productivity during the candidate's learning curve (Everyone learns at a different pace, but everyone needs to be instructed on procedures and processes unique to the organization. This takes time and during that time, the employee will not be producing at full potential. The more complicated the tasks, the longer the learning curve. Output will be lower and efficiency will take time to recapture.)
- The cost of high-level time and attention during all the stages of this process. (Human Resource professionals, supervisors, team leaders, coaches, mentors, operations personnel and other organizational decision-makers will be involved in the process of planning, recruiting, selecting, orienting and training. This includes the supervision of the entire procedure.)

In addition there are less tangible costs including:

- The loss of known relationships,
- The gap in the historical perspective of the team that no amount of orientation can replace, the possibility of having a vacant position and burning out the remaining members of the organization,
- The dissonance, confusion and frustration change can create.

THE SEVEN "C's"

The following outlines the template for your Employee Retention Plan. Each "C" represents a part of the overall plan. While each one is important, they should not stand-alone. They are most effective when implemented as a complete package. Create a plan of action for each vital area.

COURTSHIP: This module will address the initial phase of the relationship between the employee and the organization. From the recruitment to the selection, every aspect of the initial contact should be carefully planned with an eye to a long-term relationship. There will be a substantial section related to the legal rules of recruitment, interviewing and selection.

COACHING: Once the selection is made, the employee needs to build confidence and competence. Training, instruction, encouragement and education are critical to an employee's orientation. While many organizations do a fairly good job of orientation and training, in order to develop long-term loyalty the mentoring and coaching of an employee should be ongoing.

COMPENSATION: Yes, compensation is important. Take a broad view of compensation and explore its many forms. Creativity and flexibility will be the hallmarks of a compensation plan that is designed to retain employees.

COMMUNICATION: Communication must flow through all levels of the organization to get work done and to increase the satisfaction of all members of the work team. Both receiving information and having the opportunity to share ideas and suggestions are important to hard working, professional, well-trained employees. It is the component that links people and tasks together and enhances the experience while increasing the productivity of the work group.

COLLABORATION: There is no doubt that when someone feels like a valuable part of the whole, they will be more inclined to remain with the group. Building teams creates a sense of connectedness and this, in turn, leads to longevity of service. Two heads can be better than one when properly facilitated. Shared experiences lead to shared responsibility, which, in turn, lead to shared success.

COMMITMENT: Individuals seek responsibility. They will commit to the organization when the organization commits to them. After the courtship and the honeymoon and the discussion of ideas, comes the steady, hard work of daily activity. Frequent feedback, appreciation, and recognition will keep people committed. In addition, building trust, empowerment and not taking any employee for granted are essential in maintaining commitment.

CONTINUOUS IMPROVEMENT: An organization must continuously update the skills, knowledge and abilities of its workforce. While the rapid rate of change in some tasks make training and employee development obvious, every employee faces the possibility of professional obsolescence. Employees who are not up-dating their skills will be left behind. They will begin to feel frustrated, unfit, uncertain, and inadequate. These are painful, unpleasant feelings and many employees will escape to a new job or just give up and put in their time.

It is the responsibility of the organization to keep skills updated through professional development plans. Educational opportunities, in-house training, mentoring, seminars, conferences, trade magazine subscriptions, tuition remission, sabbaticals and release time for personal improvement will not only increase competence, it will keep the work force interested and refreshed. It also creates a sense of obligation to the generous organization that provided the opportunities.

DEVELOP AN EMPLOYEE RETENTION PLAN

Begin drafting a program that can be implemented by your organization. Take your insights and materials back to the workplace and lead the development and implementation of an Employee Retention Plan.

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RETENTION FAQ'S

http://www.keepem.com

1. Employee retention is one of the most talked-about and critical issues in American business today. Why?

It's a matter of survival. As companies become more and more technologically equal, their talent is going to become the key differentiator. Companies can build a new plant or replace a piece of equipment, but watching star talent walk out the front door is like handing your competition an ace. Technology cannot replace the intellectual capital of key employees. And the war for talent is fierce. Those stars have choices. Our research shows that money isn't always what they are looking for. What employees really want is well within the reach of most managers.

2. There are a variety of studies available that prove that pay, perks, and benefits don't keep employees. What are the primary factors that do keep them?

Most employees who leave didn't start looking for other opportunities because of dissatisfaction with pay, perks, or benefits. . . but because of other reasons. The top four factors that influence an employee's decision to stay are:

- Meaningful, challenging work
- A chance to learn and grow
- A good boss
- The sense of being part of a team

3. If retention is up to managers, and most retention strategies are simple and inexpensive to implement, why aren't more managers rising to the occasion?

Some are! But some managers don't believe they have that much influence. While others believe it will take too much of their time which is already stretched to the limits. And others realize they can make the difference, but just don't know where to start.

We understand that time is precious and managers already have a lot on their plates. But they are entrusted with the responsibility of taking care of and maximizing the organization's assets . . . including the most important asset, the employees. And it doesn't have to be difficult and it doesn't have to be time consuming. Just asking two questions of employees can yield great benefits: 1) What keeps you here? 2) What would lure you away? Not only will the answers help you understand how to hang on to your stars, but asking the questions and listening to their answers, sends an important message: "you matter, I notice you, you count".

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